WEEKLY ECONOMIC REVIEW

April 11, 2008

In March, housing starts in Alberta jumped 52.1% from February to an annualized rate of 61,000 units, the highest level since February 1978. Most of the increase was due to a surge in multi-family starts in the Calgary area, which rose to a single month record of 2,652 units, up significantly from 681 units in March 2007. On the other hand, starts in the Edmonton area dropped 59.1% from its year ago level.

In February, the value of building permits issued in Alberta jumped 11.8% from January, driven by an increase in multi-family dwelling projects. Year-to-date, building permits are up 14.6%. Meanwhile, building permits in Canada declined for the fourth consecutive month, slipping 1.0% from January. Despite the surge in new residential construction activity in March, there are signs that the Alberta housing market is cooling down.

The new housing price index in Alberta continued to moderate in February as it fell 0.6% from January. Weaker housing demand in Edmonton and Calgary resulted in monthly declines in new house prices.

After a sharp fall in 2007, drilling activity in Alberta rebounded due to a recovery in natural gas prices. In March, the number of rigs drilling rose 7.4% year-over-year to 314. Year-to-date, however, rigs drilling were slightly down 7.4%.

Cdn Dollar (US¢/CS)

April 11, 2008	97.9
April 4, 2008	99.1
2008-09 YTD	98.4

WTI Oil US$/bbl

April 10, 2008	$ 110.11
April 3, 2008	$ 103.83
2008-09 YTD	$ 106.81

Nymex Natural Gas CS/MMBtu*
May Contract

April 11, 2008	$10.15
April 4, 2008	$ 9.52

*Estimate based on Nymex Futures Market Price

Canada's international merchandise trade surplus in February grew by $2 billion from January, defying expectations that the strong loonie and a weaker U.S. economy would continue to hurt the trade sector. Exports expanded by 3.8% from January, while imports declined by 2.0%.

The International Monetary Fund reduced its global growth forecast to 3.7% for 2008, a downgrade of more than a percentage point from its October 2007 outlook. A mild U.S. recession, the intensification of the credit squeeze, and the risk of high inflation in emerging markets attributed to the more pessimistic outlook.

Crude oil reached an intraday record of US$112.21 on Wednesday before settling to US$110.11 on Thursday. Lower-than-expected U.S. crude inventory lifted prices.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Housing Starts (000s) [2,3]	**March**			
Alberta	61.0	52.1%	14.0%	-6.1%
Canada	254.7	-0.4%	17.1%	8.9%
New Housing Price Index (1997=100)	**February**			
Alberta	253.7	-0.6%	9.2%	10.2%
Canada	158.1	0.3%	6.2%	6.4%
Building Permits ($ millions) [2]	**February**			
Alberta	1,311.4	11.8%	31.6%	14.6%
Canada	5,759.0	-1.0%	20.8%	7.0%

Source: Statistics Canada. [1]Year-to-date compared to the same period in the previous year. [2] Seasonally adjusted [3] Annualized rate